

DEPARTMENT OF SOCIAL SERVICES

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September 5, 1986

ALL-COUNTY LETTER NO. 86-87

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY AUDITORS
ALL COUNTY ADMINISTRATIVE SERVICES OFFICERS

SUBJECT: COUNTY WELFARE DEPARTMENT ADMINISTRATIVE EXPENSE CLAIM - GAIN

This letter will provide time study and claiming instructions to counties for the quarter in which counties begin operation of the Greater Avenues for Independence (GAIN) Program. The information contained in this letter is a product of negotiations with the Department of Health and Human Services, Office of Family Assistance (OFA), and Division of Cost Allocation (DCA), which are the federal agencies responsible for providing funding for the GAIN Program and approving California's County Cost Allocation Plan. This letter also clarifies requirements for GAIN fixed-unit price contracts.

In order to obtain an accurate report of activities during the quarter in which a county's GAIN Program becomes operational, it will be necessary for casework staff in all functions, i.e., social services, eligibility, welfare fraud and employment services, to time study for the entire quarter. Counties that begin operations during the July - September 1986 quarter will time study in August and September 1986. The hours accumulated for August will be counted twice in order to obtain a representation of hours for July. Counties that begin program operations in the October through December 1986 quarter, or any quarter thereafter, will begin to time study on the first day of the quarter and will continue throughout the three-month period. GAIN staff will begin the time study process in the month program operations commence. The accumulated hours for the quarter are to be reported on the time study summaries and used to develop the casework ratios. Unless a GAIN-related split-function situation exists, as described in ACL 86-62, counties are to resume the mid-month time study in the second quarter of operations.

All-County Letter 86-62 also instructed counties with GAIN-related split-functioned staff to develop an average of the three months of accumulated time study hours and report the average on the appropriate time study summaries. However, as a result of discussions with DCA, counties are instructed to report the actual three-month accumulated hours on the time study summaries and develop the casework ratios from these hours, rather than from an average of the accumulated time.

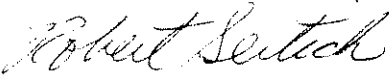
Fixed-Unit Price Contracts

Contracts for GAIN education and training services are required to be fixed-unit price performance based. Counties are responsible for ensuring, prior

to awarding a contract, that the unit cost for services or training is reasonable and that the contractor's method of cost allocation is consistent with federal cost principles. In ACL 86-62, counties were advised that contractors must maintain time records to substantiate GAIN costs billed to the county welfare department. However, these instructions are applicable only to cost reimbursement type contracts. For audit purposes, counties must verify that all of the following objectives have been met in substantiating fixed-unit price contracts:

1. There is proof of performance, i.e., participants were trained as specified in the contract.
2. Contractors have complied with contract conditions, i.e., participants have been retained for the specified time period.
3. Billings are made in the correct amount, i.e., the unit cost and number of participants is accurate.

If you have any questions please contact the Fiscal Policy and Procedures Bureau at (916) 445-0482 or ATSS (8) 484-0482.



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Deputy Director
Administration

cc: CWDA